RAILROAD COMMISSION OF TEXAS OFFICE OF GENERAL COUNSEL

OIL AND GAS DOCKET NO. 03-0226068 IN THE HALFLUNG (BIG GAS SAND) FIELD, GALVESTON COUNTY, TEXAS

FINAL ORDER

APPROVING THE APPLICATION OF PROLITHIC ENERGY COMPANY FOR NEW FIELD DESIGNATION AND ADOPTION OF FIELD RULES FOR THE HALFLUNG (BIG GAS SAND) FIELD GALVESTON COUNTY, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on October 9, 2000, the presiding examiner has made and filed a report and recommendation containing findings of fact and conclusions of law, for which service was not required; that the proposed application is in compliance with all statutory requirements; and that this proceeding was duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas.

The Commission, after review and due consideration of the examiner's report and recommendation, the findings of fact and conclusions of law contained therein, hereby adopts as its own the findings of fact and conclusions of law contained therein, and incorporates said findings of fact and conclusions of law as if fully set out and separately stated herein.

Therefore, it is **ORDERED** by the Railroad Commission of Texas that the application of Prolithic Energy Company for a New Field Designation to be known as the Halflung (Big Gas Sand) Field (No. 38168 100), Galveston County, Texas, be and it is hereby approved.

It is further **ORDERED** by the Railroad Commission of Texas that the following field rules be and are hereby adopted for the Halflung (Big Gas Sand) Field.

- RULE 1: The entire correlative interval from 9356 feet to 9438 feet as shown on the Electric-Gamma Ray log of the Prolithic Energy Company. L.P. State Tract 233 Lease Well No. 1, ST 233 Galveston Bay Survey, Galveston County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Halflung (Big Gas Sand) Field.
- RULE 2: The daily allowable production of gas from individual wells completed in a non-associated gas reservoir of the subject field shall be determined by allocating the allowable production, after deductions have been made for wells which are incapable of producing their gas allowables, among the individual wells in the following manner:

FIVE percent (5%) of the total field allowable shall be allocated equally among all the individual proratable wells producing from this field.

NINETY-FIVE percent (95%) of the total field allowable shall be allocated among the

individual wells in the proportion that the deliverability of such well, as evidenced by the most recent G-10 test filed with the Railroad Commission bears to the summation of the deliverability of all proratable wells producing from this field.

Done this twenty-fifth day of October, 2000.

	RAILROAD COMMISSION OF TEXAS
	Chairman Michael L. Williams
	Commissioner Charles R. Matthews
	Commissioner Tony Garza
ATTEST	
Secretary	